



Montana Public Service Commission
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December 15, 2005

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**PSC SEEKS COMMENTS ON NORTHWESTERN
ENERGY'S REQUEST FOR RATE INCREASE
TO REFLECT TAX LIABILITY**

Persons who want to submit comments to the state Public Service Commission on NorthWestern Energy's pending request for automatic rate increases of about 6 percent for both natural gas and electric rates due to increased state and local taxes have until December 29 to do so.

Montana law allows a public utility to file rate schedules with the PSC that contain provisions for the automatic adjustment and tracking of certain Montana state and local taxes paid by the utility. The amended rates automatically take effect on an interim basis on January 1, 2006, but if the PSC determines the rate changes are in error, the agency may ask for comments and order the utility to address any errors or omissions to cover certain state and local taxes paid by the utility on an interim basis.

The PSC determined that the revised rates submitted by NorthWestern on December 5 are in error because, according to the PSC, they do not include adjustments for the net change in federal and state income tax liability caused by the deductibility of state and local taxes and they do not appear to calculate the recoverable deferred balance of 2005 taxes.

Interested persons may comment on the application, the proposed rate adjustments for Montana local and state taxes and fees, the recoverable deferred balance of 2005 taxes and any other matter directly related to this proceeding. Informal comments may be submitted on this matter to the PSC in writing or via the PSC's web-based comment form at <http://psc.mt.gov>. Written comments should be addressed to the Montana PSC, PO Box 202601, Helena MT 59620-2601. All comments should refer to Docket D2005.12.170.

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